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OF COUNSEL
WILLIAM G. CONLY

July 18, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

D Sand of the Cotton Valley Zone, GREENWOOD-
WASKOM FIELD, Caddo Parish, Louisiana.

Dear Sir:

GREYSTONE OIL & GAS, L.L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the D Sand of the Cotton Valley Zone in the Greenwood-Waskom Field, Caddo Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize an alternate unit well for CV D SUHH at the location shown on the attached plat, in exception to the spacing provisions of Office of Conservation Order No. 193-B, effective January 5, 1954, and in lieu of the location for this well which was approved by Office of Conservation Order No. 270-B-29, effective June 5, 2007.
2. To find that an alternate unit well for CV D SUHH is necessary to efficiently and economically drain a portion of the D Sand of the Cotton Valley Zone underlying CV D SUHH which cannot be efficiently and economically drained by any existing well within the unit.
3. To designate Applicant as operator of the proposed alternate unit well and to authorize Applicant to report production from such well separately from the unit well which is operated by D-S-B Properties, Inc.
4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The D Sand of the Cotton Valley Zone in the Greenwood-Waskom Field, Caddo Parish, Louisiana, was defined in Office of Conservation Order No. 193-B, effective January 5, 1954.

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Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person desiring to inspect such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

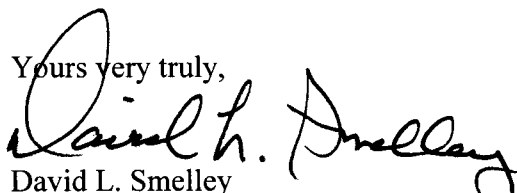
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and of the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Greenwood-Waskom Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,



David L. Smelley

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Attorney for Greystone Oil & Gas, L.L.P.

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Carl Drews (w/encls.)
Mr. Joe Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plat only)

